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June 19, 2017

**SUBJECT: GRA Comments – Draft 2017 SGWP PSP**

Dear Ms. Shannon:

The Groundwater Resources Association of California (GRA) appreciates the opportunity to provide comments on the draft Proposal Solicitation Package for Groundwater Sustainability Plans and Projects - dated May 2017 (PSP). We believe the draft PSP generally describes a sound process to promote the development of Groundwater Sustainability Plans (GSP) for medium and high priority groundwater basins in California.

To best facilitate the ongoing technical work and coordination that will be needed for successful implementation of the Sustainable Groundwater Management Act, we strongly support that the following elements be retained in the Final PSP.

- One grant per basin/subbasin (Category 2) will promote coordination among multiple GSAs and GSPs in a basin.
- GSAs as the eligible applicant for Category 2 projects will ensure that the grant outcomes contribute to a satisfactory GSP and that GSAs build their capacity to carry out their future responsibilities.
- Category 2 projects located in a basin in which an Alternative Plan was submitted are not eligible for this limited funding, which we understand from DWR is focused on a completed GSP as the final product to be delivered under the grant funding.

While we support the general approach outlined in the draft PSP, we have a number of recommendations for improving the document to better meet the needs of GSAs in developing their GSPs. These recommendations include the following:

- **Alternative Plans Rejected or Requiring Additional Work** – For those alternative plan submittals that are rejected or require additional work, it may be appropriate for DWR to set aside some limited grant funding to help those subbasins either (1) prepare GSP(s), or (2) complete the work required by DWR to bring those alternative plans into compliance.

- **Timing of Submittal Periods: First Focus on Grant Funding for COD Basins** - The time schedule should be adjusted and process for two submittal periods more fully detailed. While the first open filing period will promote timely efforts of some GSAs, especially the critically overdrafted (COD) basins with two years less to prepare GSPs, others may not be ready to fully identify the scope of necessary work and a cost share funding source for a GSP. A second filing period only two months later may be inadequate additional time. In addition, GSAs will have to be fully engaged in grant application preparation before they know whether round 2 funding is available. We recommend focusing on the COD basins for the first filing period, and extending the filing period for the second phase of funding for mostly non-COD basins until June 2018. An additional consideration is those SGMA non-COD basins adjoining COD basins: these adjoining basins will need to do significant work as relates to data collection and information used, so these basins should also be given priority in the first phase of funding.
- **Limited Funding Available for SGMA Implementation and Severely Disadvantaged Communities:** Proposition 1 has a total of \$100M in it for SGMA implementation, a drop in the bucket compared to the costs that loom for the new GSAs to develop plans, install new monitoring systems that are capable of measuring water levels and water quality in multiple aquifers, stream gaging, precipitation, devices and approaches to accurate measure and record pumping amounts, data management systems, groundwater models, and feasibility studies and projects to implement to meet SGMA mandates – somewhere in the neighborhood of \$1.5B to \$2B is probably needed. Added that Proposition 218 continues to be a constraint to these new GSAs setting up a sustainable funding stream for the work they need to do, the Prop 1 funding for GSPs is going to be critically needed to help the GSAs be successful in completing the plans, the second major step in SGMA compliance. Therefore, we recommend that Category 1 projects be focused on ensuring the participation of Severely Disadvantaged Communities in sustainable groundwater management. This can be better accomplished by (1) lowering the maximum grant amount to ensure the availability of funds to more communities, and (2) requiring demonstration that the project is closely coordinated with a GSA or GSAs in the basin and their development of GSPs, and (3) limiting grants to high and medium priority basins. In addition, we firmly believe that water supply projects should be removed from eligibility for Category 1 funding. These projects, including groundwater production wells, wellhead treatment, and connection to an alternative supply, have significant funding available from other programs, and are more appropriately funded from these other sources.
- **Adjudicated Areas and Unmanaged Areas** - We also think that the maximum grant amount should be much lower and limited for a non-adjudicated area of a Bulletin 118 basin that is largely occupied by one of the adjudicated basins identified in Water Code Section 10720.8.
- **Requirements for Voluntary Groundwater Management Plan Compliance** – Based upon DWR's recently-held public comment sessions, GRA understands that eligibility for Category 1 and 2 proposals requires that the applicable high or medium-priority basin/sub-basin must have prepared a voluntary Groundwater Management Plan in compliance with Water Code §10753.7. We further understand that DWR indicated that it was an apparent oversight that this requirement, cited in the 2015 Grant Program Guidelines, was not identified in the draft PSP. While GRA supported incentivizing local agencies to develop and implement GMPs by making GMPs (and Agricultural Water Management Plans) required to obtain state funding, GMPs and AWMPs were voluntary and not required legally except to obtain state funding. With the passage of SGMA, new comprehensive GSPs are now legally required, and therefore we strongly believe that funding requirements to meet these new legal mandates should not be tied to the existence of an older voluntary plan. Additionally, if compliance with voluntary GMPs and AWMPs is required for SGMA grant funding, DWR may find that much of the San Joaquin Valley and its sub-basins will be ineligible to receive grants to assist with SGMA compliance. While some of the individual SJV GSAs may well be fully compliant with these requirements within their individual jurisdictions by virtue of their member districts, GRA understands that, on a subbasin level, most if not all of the SJV is not compliant.

Finally, there are a number of places where we recommend that DWR consider providing greater clarity in the draft PSP, including:

- The meaning of “project” vs. “proposal” for Category 2 is not well defined. In some cases, the language of the draft PSP implies that a completed GSP is a “project,” whereas in others it implies that individual work elements like monitoring wells, a groundwater model, etc. are separate “projects.” We recommend that the draft PSP be modified after the intent is clearly defined, and that DWR develop a list of potential projects that can be included for funding.
- We understand that the May 18, 2016 date was selected for the purpose of identifying cost share activities based on the passage date for the GSP regulations. While we appreciate DWR’s rationale, we recommend that January 1, 2015, the date the SGMA law went into effect, be used for the eligibility of cost share and reimbursement for costs already spent toward GSP preparation, as this is the date that many local agencies initiated foundational steps towards SGMA compliance, including GSP preparation.
- A number of critically-overdrafted basins in the San Joaquin Valley contain water suppliers who are private-stock ditch companies. These entities have not been compelled to prepare agricultural water management plans (AWMPs) nor is it entirely clear that they need to. Thus there is exposure per the draft PSP that full possession of AWMPs for all agricultural water suppliers who will, directly or indirectly, receive funding from a Category 2 grant may disqualify the sub-basin from eligibility. We believe that there should be adequate flexibility should such that, where AWMP compliance is lacking, sufficient time be allowed for AWMP preparation and approval by DWR.
- Category 2, Tier 1 funds (\$15 million to \$30 million) for COD basins: there are many of the twenty-one critically-overdrafted basins which are relatively small in size. A GSP grant of \$1.5 million for such basins/sub-basins may be overly generous yet, for other much larger ones, woefully inadequate for coordination/GSP preparatory efforts. A methodology to consider basin size, complexity, work completed and additional work needed to prepare a GSP may be in order such that the limited grant funds are distributed to geographic areas in most need.

Thank you for the opportunity to comment. If you have any questions, please contact Tim Parker at (916) 833-5800 [tim@pg-tim.com](mailto:tim@pg-tim.com).

Sincerely,



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